

CO NCIL COMMUNICATION

TO: THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

DATE
July 8, 1986

NO.

SUBJECT: HUD- HOUSING DEVELOPMENT GRANT PROGRAM

BACKGROUND. Hotel Lodi Renovation Project.

1. The renovation of the Hotel Lodi is a \$3,154,000 public-private partnership project, utilizing \$110,000 of Lodi's CDBG funds allocated for FY 1986-87. Other funding sources include State HCD and conventional loans, as well as limited partnership investment.
2. The proposed syndication participation in this project is based principally upon an investment return of 8% to 10%. However, proposed changes in tax law, particularly investment tax credits (ITC), may reduce the attractiveness of the syndication to prospective investors.

HOUSING DEVELOPMENT GRANT PROGRAM.

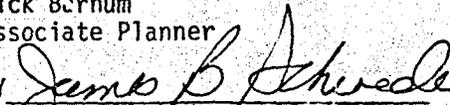
1. Additional loans from the federal government are available which will serve to maintain the desired return on the limited partners investment.
2. HUD is presently accepting applications for grants under HUD's Housing Development Grant Program. This grant application must be initiated through the local unit of government (City of Lodi).
3. Grant funds awarded under the program are to be used to support the construction of substantial rehabilitation of residential rental, cooperative, or mutual housing in which at least 20 percent of the units will be occupied by lower income families.
4. HUD indicated the program's current funding level is 79 million, and will not be affected by congressional budget reductions.
5. Application selections will be made and funds are to be obligated by September 30, 1986. Application deadline is July 21, 1986. The proposed grant amount to be requested by the City of Lodi is \$715,000.

INDICATED ACTION

The City Council should authorize, by reslution, application preparation for the Housing Development Grant as an additional funding source for the Hotel Lodi Renovation project.

Rick Barnum
Associate Planner

BY


JAMES B. SCHROEDER
Community Development Director

Attachment

NOTICE OF PUBLIC HEARING

THE CITY COUNCIL OF THE CITY OF LODI
WILL CONDUCT A PUBLIC HEARING TO RECEIVE
PUBLIC INPUT REGARDING THE PROPOSED
HOTEL LODI RENOVATION PROJECT

NOTICE IS HEREBY GIVEN that on Wednesday, August 6, 1986 at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the Lodi City Council will conduct a public hearing in the Council Chambers, City Hall, 221 West Pine Street, Lodi, California, to receive public input regarding the proposed Hotel Lodi Renovation Project.

The Hotel Lodi Rehabilitation Project will be a public-private partnership project, incorporating participation of the following public and private entities and programs: City of Lodi-Community Development Block Grant; State of California Office of Housing and Community Development-Special User Housing Rehabilitation Program; The Savings Association Mortgage Company (SAMCO); and the Daniels C. Logue Development and Construction Company of Sacramento.

Upon completion the Hotel Lodi, located at the corner of School and Pine Streets, will provide 110 furnished residential rental units available to low and moderate income persons.

If you are interested in further information, please contact Rick Barnum, Associate Planner, City of Lodi Community Development Department, 221 W. Pine Street, Lodi, or call 333-6711.

All interested persons are invited to present their views on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein and oral statements

may be made at said hearing.

If you challenge the subject matter in court you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk at, or prior to, the Public Hearing.

By Order of the Lodi City Council.


Alice M. Reimche
City Clerk

Dated: July 16, 1986

RESOLUTION NO. 86-108

HOUSING DEVELOPMENT GRANT APPLICATION
HOTEL LODI RENOVATION PROJECT

WHEREAS, the Hotel Lodi Renovation project will serve to provide clean, affordable housing for low and moderate income persons, and

WHEREAS, the Housing Development Grant Program will potentially serve as an additional funding source essential to the Hotel Lodi Renovation project, and

WHEREAS, application procedures for the Housing Development Grant must be initiated by the City of Lodi.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Lodi, that by adoption of this resolution authorizes the City of Lodi to apply for the Housing Development Grant, to be made available exclusively for the Hotel Lodi Renovation project.

Dated: July 16, 1986

I hereby certify that Resolution No. 86-108 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 16, 1986 by the following vote:

Ayes: Council Members - Olson, Pinkerton,
Snider & Reid (Mayor)

Noes: Council Members - Hinchman

Absent: Council Members - None

Alice M. Reinche
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City Clerk